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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 5812-82
15 July 1982MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central IntelligenceFROM: [redacted]
Assistant National Intelligence Officer for NESA

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SUBJECT: Talking Points on Middle East

1. Iran-Iraq: Implications of the Invasion

- The Iranian invasion threatens to realign the Middle East balance. Khomeini's appetite will grow if his army wins successes. Tehran seeks to dominate the Persian Gulf and play a major role in Arab-Israeli affairs.
- If his forces win the Basrah battle, Khomeini's next objective may well be to force Iraq to accept a permanent Iranian presence in southern (Shia) Iraq and a compliant Islamic Republic in Baghdad. Such an Iranian victory will threaten our allies in Jordan, Kuwait, and Saudi Arabia. (Attached is a memo I sent to you yesterday further outlining these dangers.)

*now being revised*2. US Security and the Gulf States

- We have not yet received a report on Ambasssador Murphy's talks with the Saudis. Riyadh is anxiously watching the Basrah battle but probably remains reluctant to solicit high profile US security assistance. In my view, we do not want to appear to be forcing our help on Fahd.
- Gulf states still see the Iranian threat to them as primarily subversive and fear the conspicuous association with the US (and therefore Israel) only weakens their position. We should play their game and display understanding of their perceived need for discretion in security matters.
- US moves could include offering to arrange ostensibly private military consultations with the Saudis, urging the Egyptians and Saudis to coordinate Gulf (not Iraqi) defenses, and low profile joint exercises with Oman.

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- A key issue is Kuwait's vulnerability. Should Iran win a major victory, Iranian forces will be near Kuwait's northern border and may seek to punish Kuwait for past aid to Baghdad. US security guarantees to Kuwait are not explicit. We have sold Kuwait arms but have no formal security arrangement. The Kuwaitis almost certainly will seek to appease Khomeini, but may also privately sound us out on possible security help (perhaps with Saudi support).

3. Lebanon Trends

- Ambassador Habib's efforts are stalled. A key sticking point remains where PLO fighters will go. Syria appears to have closed the door, but still might be receptive to accepting PLO forces temporarily if they move on from Damascus to Tripoli and northern Lebanon. Sharon has hinted that Israel might accept such a move as an interim arrangement. Assad would want Saudi political and financial support and perhaps some political concession from the US; perhaps a promise to restrain Israel from moving into the Bekaa Valley.
- Ambassador Lewis reports that the Israeli cabinet seems willing to give Habib more time. Nonetheless, the Israelis could mount limited military moves to step up pressure on Arafat, perhaps hoping the Iran-Iraq war will divert US and Arab attention.

Attachment:
Memo

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Att. to DDI 5812-82

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 5792-82

14 July 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: [redacted]
National Intelligence Officer for NESA

SUBJECT: Iran-Iraq: A Worst Case View

*This is being beefed
up per your discussion
with Gates & Ames
today.*

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1. Ayatollah Khomeini's immediate goal is to topple Saddam Hussein, but judging from his recent statements and propaganda Khomeini's appetite is growing. Should Saddam fall and be replaced by a new Baathist-military leader, the Iranians are not likely to be satisfied. If his forces win the Basrah battle, Khomeini's next goal almost certainly will be to "liberate" the Shia holy cities of Najaf and Kerbala where Khomeini lived in exile from 1963 to 1979. Such an operation would not be easy given the terrain in southern Iraq, but could be done over several months if Iraqi resistance weakens. This would bring most Iraqi Shias under Tehran's wing.

2. Tehran publicly claims its goal is "liberate" Iraq to set the stage for "liberating" Jerusalem. Some of this is obviously propaganda, but it should not be ignored. In the past, Iranian propaganda has accurately signaled Khomeini's goals.

-- Khomeini may hope to compel Iraq's Sunni Muslims to set up a compliant, pro-Iranian Islamic Republic in Baghdad which would rule northern Iraq (mostly Sunni) while Iranian troops remain in southern Iraq to guarantee Iranian access to the holy cities.

-- Khomeini's decision to send troops to Lebanon last month reflects his view that Tehran should have a dominant role to play in Arab-Israeli issues. It should not be forgotten that Khomeini was one of the first backers of Fatah in the early 1960s. Iran's willingness to accept Israeli military aid against Iraq was strictly a tactical compromise.

3. In the worst case, if Iran sets up an Islamic regime in Baghdad, a fundamental revision in the Middle East power balance will follow.

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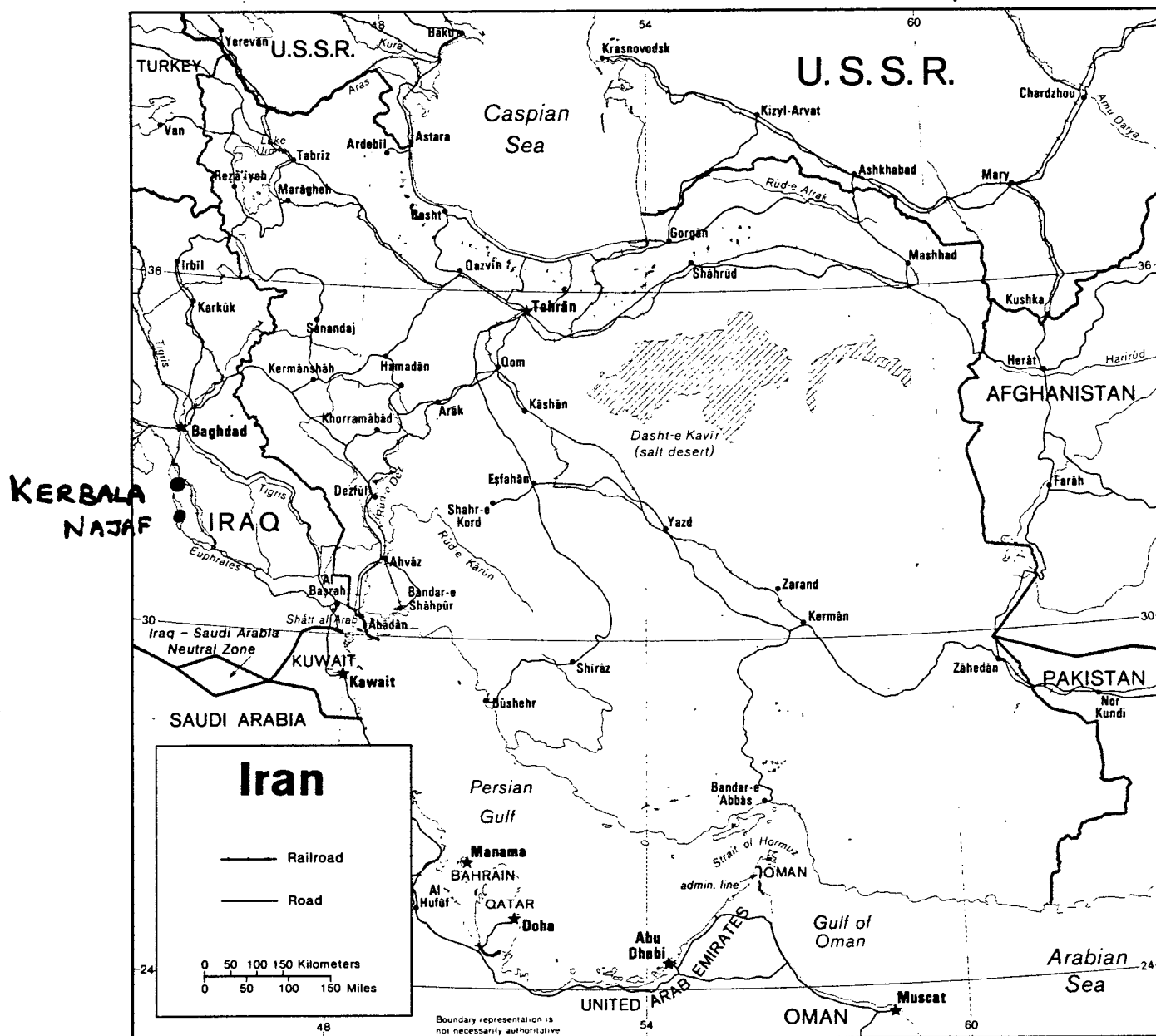
- Syrian President Assad may be replaced by his own fundamentalist opponents or Syria may choose to align itself with a Tehran-Baghdad-Damascus alignment (perhaps with the PLO as well). Either outcome would greatly complicate both the Lebanese issue and overall Arab-Israeli talks.
- Jordan and Kuwait would both come under direct Iranian military pressure. Khomeini will not forget their past aid to Saddam; for the Ayatollah, personal revenge is a very strong motive. At a minimum, we can expect increased subversion. At worst, a military move into Kuwait. Tehran's view of the US commitment to Kuwait could play a key role in Khomeini's decision.
- The Saudis will be under more indirect, but still real pressure, to reach some accommodation with Khomeini.

How far Tehran pursues these larger goals clearly depends on the military costs.

4. The Lebanese crisis could further complicate the problem. If Ambassador Habib's efforts fail and Israel moves into Beirut, the Arabs will have suffered two humiliating defeats. Islamic fundamentalism's appeal to the young will be strengthened further. Radical Palestinians and extremists Shia might well work together to destabilize US allies. Kuwait would be even more vulnerable (it's total population is 22% Palestinian and 18% Shia). King Hussein would also face more difficulties. US security commitments to Kuwait and Jordan could face serious testing.

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